

# **Governance Assessment 2008**

October 2008

**City Auditor's Office**

**City of Kansas City, Missouri**





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Honorable Mayor and Members of the City Council:

Boards and commissions have major authority and responsibilities within Kansas City government. They oversee policing, parks and recreation activities, ambulance services, and business and development incentives. According to our most recent *Citizen Survey Report*, however, only 22 percent of the public are satisfied with the overall effectiveness of appointed boards and commissions.

This audit is intended to help the City Council understand and evaluate the governance practices of 14 boards and commissions. It summarizes the governance checklist responses of the city's component units and the Board of Parks and Recreation Commissioners. The responses suggest both strengths and weaknesses exist in the governance practices of boards and commissions. Most boards and commissions have adopted governance practices to lead their organizations, define responsibilities, and establish accountability for achieving goals. Monitoring compliance with board directives, strengthening board performance, and sharpening the focus in the recruitment and appointment of new board members could strengthen governance. All of the boards and commissions we surveyed responded.

Because boards and commissions are not directly accountable to the public for their actions, the City Council should provide oversight of those serving on city governing and policy boards. The annual checklist survey used for this report is a tool for the City Council, providing a framework for questioning boards on governance practices. The checklist is also a tool that boards can use to assess their own governance practices.

A city ordinance requires we annually summarize the checklist responses of city boards and commissions. While we believe that boards and commissions should be reminded of the core good governance functions and supporting practices on a regular basis, we are not certain that annually compiling checklist results furthers the responsiveness and efficiency of government or is the best use of limited audit resources. Therefore, we recommend the City Council determine whether the reporting requirements of this ordinance should be modified.

We appreciate the boards' cooperation in completing and returning the checklist assessments. The audit team for the project was Joyce Patton and Nancy Hunt.

Gary L. White  
City Auditor



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# Governance Assessment 2008

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## Introduction

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### Objectives

We conducted this audit of the governance practices of city boards and commissions under the authority of Article II, Section 216 of the city charter, which establishes the Office of the City Auditor and outlines the city auditor's primary duties.

A performance audit provides assurance or conclusions based on an evaluation of sufficient, appropriate evidence against stated criteria. Performance audits provide objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision making, and contribute to public accountability.<sup>1</sup>

This report is designed to answer the following question:

- What governance practices are the city's boards and commissions following?

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### Scope and Methodology

Section 2-722 of the Code of Ordinances requires that the city auditor annually distribute a governance assessment checklist to component units<sup>2</sup> and appropriate governing or policy boards of the city and report the results by November 1. The ordinance also requires that the checklist be substantially similar to the one developed for the 2001 *Good Governance Practices for Boards and Commissions* report.<sup>3</sup>

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<sup>1</sup> Comptroller General of the United States, *Government Auditing Standards* (Washington, DC: U.S. Government Printing Office 2007), p. 17.

<sup>2</sup> According to Governmental Accounting Standards Board (GASB) Statement No. 14, a component unit of a primary government is an organization that is legally separate from the government but for which the primary government is financially accountable because the government officials appoint a voting majority of the organization's governing body and either the government is able to impose its will on that organization or there is a potential for the organization to provide specific benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

<sup>3</sup> *Special Report: Good Governance Practices for Boards and Commissions*, Office of the City Auditor, Kansas City, Missouri, August 2001.

This audit summarizes the governance practices of the component units identified in the city's *2007 Comprehensive Annual Financial Report*, the Board of Parks and Recreation Commissioners and the EDC Loan Corporation.<sup>4</sup> We sent assessment checklists to 14 boards and commissions. Information contained in this audit is self-reported. We did not independently verify responses.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. No information was omitted from this report because it was deemed privileged or confidential.

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## Background

### What Is Governance?

Governance is the exercise of authority, direction and control by a governing board. It is the board's right and responsibility to determine the purposes and principles by which an organization will function and then to arrange for its management. Governance deals with *what* an organization is to do and is focused on planning, setting goals and objectives, and developing policies to guide the organization and monitor its progress toward implementation of its plans. The primary focus of governance should be on the long-term – the organization's mission, values, policies, goals, objectives, and accountability.<sup>5</sup>

Governance practices employed by appointed boards and commissions are important because they have the authority to spend public funds on behalf of the city and to control the delivery of city services. The mayor appoints members to most component units and the Board of Parks and Recreation Commissioners. These boards and commissions should be ultimately accountable to the citizens of Kansas City.

Governance is different from management. Management is the act, art or manner of controlling or conducting affairs, the skillful use of means to

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<sup>4</sup> The EDC Loan Corporation is included because it is a component unit, but it is not listed separately in the *2007 Comprehensive Annual Financial Report* (CAFR). The Finance Department combines information from the EDC Loan Corporation with information from the Economic Development Corporation of Kansas City, Missouri in the CAFR.

<sup>5</sup> Guy LeClerc, W. David Moynagh, Jean-Pierre Boisclair, and Hugh R. Hanson, *Accountability, Performance Reporting, Comprehensive Audit—An Integrated Perspective*, (Ottawa, CCAF-FCVI, Inc., 1996), p. 8.



accomplish a defined purpose. If governance has to do with *what* an organization is to do, management deals with *how* it does it.

Management requires expertise, experience, and skills. Management should be a professional activity that leaders have to have in place to serve the needs and execute the plans of their organization.<sup>6</sup>

### Kansas City Boards and Commissions

Boards and commissions oversee many functions and activities in Kansas City—maintenance of parks and recreation activities, the delivery of police and ambulance services, the use of development incentives, and other governmental services. Like elected officials, these boards are responsible for allocating public resources and overseeing the provision of services. Unlike elected officials, these boards and commissions are not directly accountable to the voters for their actions. Our most recent *Kansas City Citizen Survey Report*, released in March 2008, found that only 22 percent of those surveyed were satisfied or very satisfied with the overall effectiveness of appointed boards and commissions. In 2007, the boards and commissions we surveyed spent \$420 million. (See Exhibit 1.)

Exhibit 1. Boards' and Commissions' Expenditures for Fiscal Year 2007

Organization	Expenditures
Board of Police Commissioners of Kansas City	\$ 177,296,022
Tax Increment Financing Commission of Kansas City, Missouri	120,370,355
Board of Parks and Recreation Commissioners	70,119,390
Metropolitan Ambulance Services Trust	27,050,361
Port Authority of Kansas City, Missouri	11,647,769
Land Clearance for Redevelopment Authority	4,866,027
Economic Development Corporation of Kansas City, Missouri	3,942,168
American Jazz Museum, Inc.	2,240,478
Kansas City International Airport Community Improvement District	1,404,369
EDC Charitable Fund	547,416
EDC Loan Corporation	321,095
Performing Arts Community Improvement District	184,469
Downtown Economic Stimulus Authority	11,905
Kansas City Maintenance Reserve Corporation	6,810
<b>Total</b>	<b>\$ 420,008,634</b>

Source : Boards' and Commissions' audited financial statements ending April 30, 2007 or May 31, 2007, and adopted Budget 2009.

<sup>6</sup> *Accountability, Performance Reporting, Comprehensive Audit – An Integrated Perspective*, p. 9.



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## **Findings and Recommendation**

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### **Summary**

All 14 boards and commissions we surveyed completed and returned the governance assessment checklist. Their responses identify governance strengths and weaknesses. The answers suggest that most boards and commissions have adopted governance practices to lead their organizations, define responsibilities, and establish accountability for achieving goals. Monitoring compliance with board directives, strengthening board performance, and sharpening the focus in the recruitment and appointment of new board members to better represent the interests of the public could strengthen governance.

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### **Checklist Responses Suggest Potential Governance Strengths and Weaknesses**

City code requires that the city auditor annually distribute a governance assessment checklist to appropriate governing or policy boards and commissions of the city, including component units. All of the boards and commissions surveyed completed and returned the checklist.

Responses to the self-assessment checklists identified some strengths and weaknesses in the six core governance functions. The self-assessment checklists indicate that most of the 14 boards and commissions report having incorporated good governance practices to lead their organizations, adopted policies defining responsibilities, and held their organization accountable for achieving goals. The self-assessment checklist responses also show potential weakness in the core functions of ensuring management compliance with board directives, ensuring a high level of board performance and effectiveness, and representing the public interest.

We drew these conclusion based on the number of organizations responding “no,” “don’t know,” or “not applicable” to questions about core functions. (See Appendix A for a summary of the checklist responses by question or practice. See Appendix B for a summary of checklist responses by organization.)

## Good Governance Core Functions

Our *Good Governance Practices for Boards and Commissions* report developed a framework to guide Kansas City boards and commissions in carrying out their work. The framework contains six core functions. The annual checklist asks boards and commissions about specific practices that carry out the core functions. The six governance functions in which the boards and commissions should engage and which we measure are:

- Leading the organization.
- Setting policies delineating responsibilities.
- Ensuring accountability for achieving organizational goals.
- Ensuring management compliance with board directives.
- Ensuring a high level of board performance and effectiveness.
- Representing the public.

**Most boards have taken actions to lead their organization.** Boards and commissions should lead their organizations. They should ensure that the purpose of the organization is defined and establish overall goals for the organization. Boards should develop a mission statement and communicate the mission statement to management. Boards should focus on the future of their organizations, maintaining a strategic perspective, engaging in long-term planning, and articulating the vision for their organization. Responses from the checklists indicate that most boards and commissions have adopted practices to lead their organizations. (See Exhibit 2.)

Exhibit 2. Responses on Leading the Organization

Question	Yes	No	Don't Know	N/A
Has the board set overall goals for the organization?	12	2	0	0
Has the board prepared a mission statement?	12	2	0	0
Do the goals describe the end result of the organization's activities?	10	1	0	3
Has the board communicated organizational goals to management?	10	0	0	4
Has the board engaged in strategic planning?	10	3	1	0

Source: Governance Assessment Checklist Responses.

**Most boards have adopted policies defining responsibilities.** To strengthen accountability and the effectiveness of the organization, boards and commissions should adopt policies that clearly define board and management responsibilities. While assigned responsibilities and authority may vary among organizations, the chief executive officer (CEO) is normally responsible for implementing programs and determining how goals will be achieved, as long as the methods are not

explicitly prohibited by board policies. When the CEO is given this responsibility, all management related policies should be addressed to the CEO. The boards' checklist responses indicated that most have adopted key policies including those delineating CEO, management, and board responsibilities. (See Exhibit 3.)

Exhibit 3. Responses on Setting Policies Delineating Responsibilities

Question	Yes	No	Don't Know	N/A
Has the board adopted policies that delineate the power of the CEO?	12	1	0	1
Has the board adopted policies that prohibit management actions that are unethical or unacceptable?	11	1	0	2
Has the board adopted policies that prescribe board-CEO relationship?	12	1	0	1
Are management-related policies addressed to the CEO?	12	0	0	2
Has the board adopted any financial planning, revenue, and expenditure policies?	13	1	0	0

Source: Governance Assessment Checklist Responses.

**Most boards hold organizations accountable for achieving goals.**

Unlike for-profit organizations, which measure their success or failure by the profit generated, governmental organizations do not have a universal indicator of whether they are accomplishing their mission. Boards and commissions should continually monitor progress towards accomplishing the organization's mission and evaluate whether goals are relevant. Boards should hold the CEO responsible for progress toward achieving goals and should assess the CEO's performance in terms of goal achievement. Boards should also seek information on goal achievement from sources independent of management's reports, such as surveys, focus groups, outside experts, the public, and constituents. Most of the boards and commissions reported practices to monitor organizational progress for fulfilling missions and achieving goals. Some boards and commissions, however, reported that they did not seek information on whether the organization is achieving its goals from independent sources and a few had not assessed the CEO's performance. (See Exhibit 4.)



Exhibit 4. Responses on Accountability for Achieving Organizational Mission and Goals

Question	Yes	No	Don't Know	N/A
Has the board monitored the organization's progress toward accomplishing its mission?	13	0	0	1
Does the board hold the CEO responsible for the organization's performance as it relates to the achievement of overall organizational goals?	11	0	0	3
Has the board assessed the CEO's performance?	8	3	0	3
Has the board reviewed and updated the policies, mission statement, and goals?	12	1	0	1
Has the board sought information on whether the organization is achieving its goals from sources independent of management?	6	5	0	3

Source: Governance Assessment Checklist Responses.

**Oversight of management compliance with board directives could be strengthened.** Boards and commissions should have assurance that management is working toward achieving organizational goals at a reasonable cost. Boards should require regular reporting by the CEO to ensure management's compliance with board policies, laws, goals, and ethical standards. Boards should adopt policies defining what progress the CEO must report on and when. The board should provide performance criteria to compare with the CEO's reports. An audit committee, regular external financial audits, and an independent internal audit function or an external assessment of internal controls are also recommended. While all of the organizations reported providing for external review of their financial statements and most specified when and on what the CEO should report, only half of the organizations had established an audit committee or criteria against which to evaluate reported progress. Less than half of the organizations reported establishing an independent internal audit function. (See Exhibit 5.)

Exhibit 5. Responses on Management Compliance with Board Directives

Question	Yes	No	Don't Know	N/A
Has the board specified what the CEO must report on and when?	10	3	0	1
Has the board defined the criteria against which the CEO reports will be compared?	7	4	1	2
Has the board organized an audit committee?	7	5	0	2
Has the board provided for an internal audit function?	6	7	1	0
Is the internal auditor independent from the accounting and finance function?	5	1	1	7
Does the internal auditor have access to the audit committee?	4	0	1	9
Has the board provided for external review of the organization's financial statements?	14	0	0	0

Source: Governance Assessment Checklist Responses.

**Improvements are needed to ensure board performance and effectiveness.** To ensure a high level of board performance and effectiveness, boards and commissions should organize their work. Boards should define their activities and prescribe how business is conducted. Boards should regulate their behavior through by-laws, job descriptions, and a code of ethics. Boards should conduct orientation for new members, and implement ongoing board training. Boards should enforce absenteeism policies and regularly self-evaluate their performance. Boards should lead rather than react. They should set and control the agenda, but direct performance only when acting as a body, not as individual board members. While most organizations reported having by-laws, codes, or policies to help guide them, their effectiveness could be improved with job descriptions, training, and a collective self-evaluation. (See Exhibit 6.)

Exhibit 6. Responses on Board Performance and Effectiveness

Question	Yes	No	Don't Know	N/A
Has the board adopted policies that prescribe board activities and the manner in which board meetings are conducted, the committees are structured, and decisions are communicated?	12	1	0	1
Has the board adopted a board manual or by-laws?	14	0	0	0
Has the board adopted a code of ethical conduct?	10	3	0	1
Has the board adopted a conflict of interest policy?	10	3	0	1
Has the board developed job descriptions for board members?	6	7	0	1
Has the board had an orientation for new members?	9	5	0	0
Has the board had ongoing training for the board members?	5	9	0	0
Has the board adopted and enforced an attendance/absenteeism policy?	4	9	0	1
Has the board had a collective self-evaluation?	2	11	1	0
Has the board set and controlled the agenda?	14	0	0	0

Source: Governance Assessment Checklist Responses.

**Strengthening elements of board member recruitment could improve representation of the public.** City boards and commissions represent the people of Kansas City. Board members' behavior should reflect their role as trustees for the citizens. Appointed boards and commissions should know whom the board represents collectively and be accountable to the mayor and City Council. Boards should seek to enhance the external image and credibility of their organizations and gather evidence of the public's various points of view in open meetings. To be effective, boards need to communicate and cooperate with other organizations in the city to understand how their own organization fits in the city's big picture. Board appointments should be made with consideration of the needs of the board and the skills and qualifications of potential candidates.

A majority of the boards and commissions reported meeting with elected officials, assessing the city's needs, and complying with Missouri's Sunshine Law. Most boards had not, however, developed a job description or a board profile identifying the knowledge, skills, and abilities sought in prospective members. (See Exhibit 7.)

Exhibit 7. Responses on Representation of the Public

Question	Yes	No	Don't Know	N/A
Has the board had meetings with the mayor and City Council?	8	6	0	0
Has the board assessed the needs, concerns, and demands of the people of Kansas City regarding the organization's activities?	12	1	1	0
Has the board conducted business in accordance with the Missouri Sunshine law?	14	0	0	0
Has the board communicated with other city boards and organizations to see how its activities fit within the city's "big picture"?	12	2	0	0
Has the board developed a "board profile" to help the mayor in choosing candidates for appointments to the board?	3	5	1	5
Does the board profile describe the desired knowledge, skills, abilities, and other characteristics for prospective board members?	4	3	1	6
Has the board developed job descriptions for candidates for appointment?	3	8	1	2

Source: Governance Assessment Checklist Responses.

### Report Frequency

The current ordinance, adopted in September 2001, requires the annual distribution of a checklist, substantially similar to the one developed in our 2001 governance report, to appropriate boards and commissions and a report summarizing the results. While we believe that boards and commissions should be reminded of the core good governance functions and supporting practices on a regular basis, we are not certain that annually compiling checklist results furthers the responsiveness and efficiency of government or is the best use of limited audit resources. Therefore, we recommend that the City Council review this report and determine whether the frequency of this report should be modified.

## Recommendation

1. The City Council should determine whether the frequency of the *Governance Assessment* report should be modified.



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## **Appendix A**

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### **Summary of Governance Checklist 2008 Responses**



Summary of Governance Checklist														
N/A = Not Applicable	American Jazz Museum, Inc.	Downtown Economic Stimulus Authority	Economic Development Corp.	EDC Charitable Fund	EDC Loan Corporation	Kansas City International Airport Community Improvement District	Kansas City Maintenance Reserve Corporation	Land Clearance for Redevelopment Authority	Metropolitan Ambulance Services Trust	Board of Parks & Recreation Commissioners	Performing Arts Community Improvement District	Board of Police Commissioners	Port Authority of Kansas City, Missouri	Tax Increment Financing Commission
	1. Has the board established overall goals for the organization?													
	1a. Has the board set overall goals for the organization?	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
	1b. Has the board prepared a mission statement?	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
	1c. Do the goals describe the end result of the organization's activities?	Yes	N/A	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A
	1d. Has the board communicated organizational goals to management?	Yes	N/A	Yes	Yes	Yes	Yes	N/A	Yes	Yes	N/A	Yes	Yes	N/A
	1e. Has the board engaged in strategic planning?	Yes	No	Yes	No	Don't Know	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	2. Has the board adopted policies that delineate board and staff responsibilities?													
	2a. Has the board adopted policies that delineate the power of the CEO?	Yes	Yes	Yes	Yes	Yes	No	N/A	Yes	Yes	Yes	Yes	Yes	Yes
	2b. Has the board adopted policies that prohibit management actions that are unethical or unacceptable?	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	Yes	Yes
2c. Has the board adopted policies that prescribe the board-CEO relationship?	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	No	Yes	Yes	Yes	Yes	Yes

[illegible]

N/A = Not Applicable	4. Has the board ensured accountability for achieving the organization's goals?													
	American Jazz Museum, Inc.	Downtown Economic Stimulus Authority	Economic Development Corp.	EDC Charitable Fund	EDC Loan Corporation	Kansas City International Airport Community Improvement District	Kansas City Maintenance Reserve Corporation	Land Clearance for Redevelopment Authority	Metropolitan Ambulance Services Trust	Board of Parks & Recreation Commissioners	Performing Arts Community Improvement District	Board of Police Commissioners	Port Authority of Kansas City, Missouri	Tax Increment Financing Commission
4a. Has the board monitored the organization's progress toward accomplishing its mission?	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4b. Does the board hold the CEO responsible for the organization's performance as it relates to the achievement of overall organizational goals?	Yes	N/A	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4c. Has the board assessed the CEO's performance?	No	No	Yes	No	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4d. Has the board reviewed and updated the policies, mission statement, and goals?	Yes	Yes	Yes	Yes	Yes	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4e. Has the board sought information on whether the organization is achieving its goals from sources independent of management?	Yes	N/A	No	No	Yes	Yes	No	No	Yes	N/A	No	Yes	Yes	N/A

N/A = Not Applicable														
5. Has the board ensured a high level of board performance and effectiveness?														
5a. Has the board adopted policies that prescribe board activities and the manner in which board meetings are conducted, the committees are structured, and decisions are communicated?	American Jazz Museum, Inc.	Yes	Yes	Yes	Yes	Yes	Yes	N/A	No	Yes	Yes	Yes	Yes	Yes
		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		No	Yes	Yes	Yes	Yes	No	No	No	Yes	N/A	Yes	Yes	Yes
		No	Yes	Yes	Yes	Yes	No	No	No	Yes	N/A	Yes	Yes	Yes
		Yes	Yes	No	No	No	Yes	No	No	Yes	Yes	No	Yes	Yes
5b. Has the board adopted a board manual or by-laws?		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5c. Has the board adopted a code of ethical conduct?		No	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes
5d. Has the board adopted a conflict of interest policy?		No	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes
5e. Has the board developed job descriptions for board members?		Yes	Yes	No	N/A	No	No	No	No	No	Yes	No	Yes	Yes
5f. Has the board had an orientation for new members?		Yes	Yes	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes
5g. Has the board had ongoing training for the board members?		Yes	No	No	No	No	No	No	No	No	Yes	Yes	No	Yes
5h. Has the board adopted and enforced an attendance/absenteeism policy?		Yes	No	No	Yes	Yes	No	No	No	No	No	No	Yes	No
5i. Has the board had a collective self-evaluation?		Yes	No	No	No	No	No	No	No	No	Don't Know	Yes	No	No
5j. Has the board set and controlled the agenda?		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes



N/A = Not Applicable														
6. Has the board represented the people of Kansas City?														
6a. Has the board had meetings with the mayor and City Council?	No	Yes	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
6b. Has the board assessed the needs, concerns, and demands of the people of Kansas City regarding the organization's activities?	Yes	Yes	Yes	Yes	Yes	No	No	Don't Know	Yes	Yes	Yes	Yes	Yes	Yes
6c. Has the board conducted business in accordance with the Missouri Sunshine Law?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6d. Has the board communicated with other city boards and organizations to see how its activities fit within the city's "big picture"?	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
6e. Has the board developed a "board profile" to help the mayor in choosing candidates for appointment to the board?	N/A	No	No	N/A	Don't Know	Yes	N/A	No	N/A	No	Yes	N/A	Yes	No
6f. Does the board profile describe the desired knowledge, skills, abilities, and other characteristics for prospective board members?	Yes	N/A	No	N/A	Don't Know	Yes	No	N/A	N/A	N/A	Yes	N/A	Yes	No
6g. Has the board developed job descriptions for candidates for appointment?	Yes	No	No	No	Don't Know	No	No	No	N/A	No	Yes	N/A	Yes	No





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## **Appendix B**

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### **Checklist Responses by Organization**



## American Jazz Museum, Inc.

**2007 Expenditures - \$2,240,478**

Core Governance Functions	Yes	No	Don't Know	N/A	Total by Category
Leading the organization	5	0	0	0	5
Setting policies delineating responsibilities	5	0	0	0	5
Ensuring compliance with board directives	2	3	0	2	7
Ensuring accountability for achieving goals	4	1	0	0	5
Ensuring high board performance and effectiveness	8	2	0	0	10
Representing the public interest	5	1	0	1	7

The respondent answered “No” to the following questions:

- Has the board specified what the CEO must report on and when?
- Has the board defined the criteria against which the CEO reports will be compared?
- Has the board provided for an internal audit function?
- Has the board assessed the CEO’s performance?
- Has the board adopted a code of ethical conduct?
- Has the board adopted a conflict of interest policy?
- Has the board had meetings with the mayor and City Council?

The respondent answered “N/A” (Not Applicable) to the following questions:

- Is the internal auditor independent from the accounting and finance function?
- Does the internal auditor have access to the audit committee?
- Has the board developed a “board profile” to help the mayor in choosing candidates for appointments to the board?

## Downtown Economic Stimulus Authority

### 2007 Expenditures - \$11,905

Core Governance Functions	Yes	No	Don't Know	N/A	Total by Category
Leading the organization	0	3	0	2	5
Setting policies delineating responsibilities	4	1	0	0	5
Ensuring compliance with board directives	4	2	0	1	7
Ensuring accountability for achieving goals	1	1	0	3	5
Ensuring high board performance and effectiveness	7	3	0	0	10
Representing the public interest	4	2	0	1	7

The respondent answered "No" to the following questions:

- Has the board set overall goals for the organization?
- Has the board prepared a mission statement?
- Has the board engaged in strategic planning?
- Has the board adopted any financial planning, revenue, and expenditure policies?
- Has the board defined the criteria against which the CEO reports will be compared?
- Has the board organized an audit committee?
- Has the board assessed the CEO's performance?
- Has the board had ongoing training for the board members?
- Has the board adopted and enforced an attendance/absenteeism policy?
- Has the board had a collective self-evaluation?
- Has the board developed a "board profile" to help the mayor in choosing candidates for appointment to the board?
- Has the board developed job descriptions for candidates for appointments?

The respondent answered "N/A" (not applicable) to the following questions:

- Do the goals describe the end result of the organization's activities?
- Has the board communicated organizational goals to management?
- Does the internal auditor have access to the audit committee?
- Has the board monitored the organization's progress toward accomplishing its mission?
- Does the board hold the CEO responsible for the organization's performance as it relates to the achievement of overall organizational goals?
- Has the board sought information on whether the organization is achieving its goals from sources independent of management?

- Does the board profile describe the desired knowledge, skills, abilities, and other characteristics for prospective board members?

## Economic Development Corporation of Kansas City, Missouri

2007 Expenditures - \$3,942,168

Core Governance Functions	Yes	No	Don't Know	N/A	Total by Category
Leading the organization	5	0	0	0	5
Setting policies delineating responsibilities	5	0	0	0	5
Ensuring compliance with board directives	4	1	0	2	7
Ensuring accountability for achieving goals	4	1	0	0	5
Ensuring high board performance and effectiveness	5	5	0	0	10
Representing the public interest	4	3	0	0	7

The respondent answered "No" to the following questions:

- Has the board provided for an internal audit function?
- Has the board sought information on whether the organization is achieving its goals from sources independent of management?
- Has the board developed job descriptions for board members?
- Has the board had an orientation for new members?
- Has the board had ongoing training for the board members?
- Has the board adopted and enforced an attendance/absenteeism policy?
- Has the board had a collective self-evaluation?
- Has the board developed a "board profile" to help the mayor in choosing candidates for appointments to the board?
- Does the board profile describe the desired knowledge, skills, abilities, and other characteristics for prospective board members?
- Has the board developed job descriptions for candidates for appointment?

The respondent answered "N/A" (not applicable) to the following questions:

- Is the internal auditor independent from the accounting and finance function?
- Does the internal auditor have access to the audit committee?

## EDC Charitable Fund

2007 Expenditures - \$547,416

Core Governance Functions	Yes	No	Don't Know	N/A	Total by Category
Leading the organization	4	1	0	0	5
Setting policies delineating responsibilities	5	0	0	0	5
Ensuring compliance with board directives	3	2	0	2	7
Ensuring accountability for achieving goals	3	2	0	0	5
Ensuring high board performance and effectiveness	6	3	0	1	10
Representing the public interest	3	2	0	2	7

The respondent answered “No” to the following questions:

- Has the board engaged in strategic planning?
- Has the board defined the criteria against which the CEO reports will be compared?
- Has the board provided for an internal audit function?
- Has the board assessed the CEO’s performance?
- Has the board sought information on whether the organization is achieving its goals from sources independent of management?
- Has the board had an orientation for new members?
- Has the board had ongoing training for the board members?
- Has the board had a collective self-evaluation?
- Has the board had meetings with the mayor and City Council?
- Has the board developed job descriptions for candidates for appointment?

The respondent answered “N/A” (not applicable) to the following questions:

- Is the internal auditor independent from the accounting and finance function?
- Does the internal auditor have access to the audit committee?
- Has the board developed job descriptions for board members?
- Has the board developed a “board profile” to help the mayor in choosing candidates for appointments to the board?
- Does the board profile describe the desired knowledge, skills, abilities, and other characteristics for prospective board members?

## EDC Loan Corporation

2007 Expenditures - \$321,095

Core Governance Functions	Yes	No	Don't Know	N/A	Total by Category
Leading the organization	4	0	1	0	5
Setting policies delineating responsibilities	5	0	0	0	5
Ensuring compliance with board directives	3	1	3	0	7
Ensuring accountability for achieving goals	4	0	0	1	5
Ensuring high board performance and effectiveness	6	4	0	0	10
Representing the public interest	3	1	3	0	7

The respondent answered "No" to the following questions:

- Has the board organized an audit committee?
- Has the board developed job descriptions for board members?
- Has the board had an orientation for new members?
- Has the board had ongoing training for the board members?
- Has the board had a collective self-evaluation?
- Has the board had meetings with the mayor and City Council?

The respondent answered "Don't Know" to the following questions:

- Has the board engaged in strategic planning?
- Has the board provided for an internal audit function?
- Is the internal auditor independent from the accounting and finance function?
- Does the internal auditor have access to the audit committee?
- Has the board developed a "board profile" to help the mayor in choosing candidates for appointments to the board?
- Does the board profile describe the desired knowledge, skills, abilities, and other characteristics for prospective board members?
- Has the board developed job descriptions for candidates for appointment?

The respondent answered "N/A" (not applicable) to the following question:

- Has the board assessed the CEO's performance?



## Kansas City International Airport Community Improvement District

**2007 Expenditures - \$1,404,369**

Core Governance Functions	Yes	No	Don't Know	N/A	Total by Category
Leading the organization	4	1	0	0	5
Setting policies delineating responsibilities	2	1	0	2	5
Ensuring compliance with board directives	1	3	0	3	7
Ensuring accountability for achieving goals	2	0	0	3	5
Ensuring high board performance and effectiveness	3	6	0	1	10
Representing the public interest	5	2	0	0	7

The respondent answered "No" to the following questions:

- Has the board engaged in strategic planning?
- Has the board adopted policies that delineate the power of the CEO?
- Has the board specified what the CEO must report on and when?
- Has the board organized an audit committee?
- Has the board provided for an internal audit function?
- Has the board adopted a code of ethical conduct?
- Has the board adopted a conflict of interest policy?
- Has the board developed job descriptions for board members?
- Has the board had ongoing training for the board members?
- Has the board adopted and enforced an attendance/absenteeism policy?
- Has the board had a collective self-evaluation?
- Has the board had meetings with the mayor and City Council?
- Has the board developed job descriptions for candidates for appointment?

The respondent answered "N/A" (Not Applicable) to the following questions:

- Has the board adopted policies that prohibit management actions that are unethical or unacceptable?
- Are management-related policies addressed to the CEO?
- Has the board defined the criteria against which the CEO reports will be compared?
- Is the internal auditor independent from the accounting and finance function?
- Does the internal auditor have access to the audit committee?
- Does the board hold the CEO responsible for the organization's performance as it relates to the achievement of overall organizational goals?
- Has the board assessed the CEO's performance?

- Has the board reviewed and updated the policies, mission statement, and goals?
- Has the board adopted policies that prescribe board activities and the manner in which board meetings are conducted, the committees are structured, and decisions are communicated?

## Kansas City Maintenance Reserve Corporation

**2007 Expenditures - \$6,810**

Core Governance Functions	Yes	No	Don't Know	N/A	Total by Category
Leading the organization	1	3	0	1	5
Setting policies delineating responsibilities	1	0	0	4	5
Ensuring compliance with board directives	1	1	0	5	7
Ensuring accountability for achieving goals	1	2	0	2	5
Ensuring high board performance and effectiveness	2	8	0	0	10
Representing the public interest	1	5	0	1	7

The respondent answered "No" to the following questions:

- Has the board set overall goals for the organization?
- Has the board prepared a mission statement?
- Do the goals describe the end result of the organization's activities?
- Has the board provided for an internal audit function?
- Has the board reviewed and updated the policies, mission statement, and goals?
- Has the board sought information on whether the organization is achieving its goals from sources independent of management?
- Has the board adopted policies that prescribe board activities and the manner in which board meetings are conducted, the committees are structured, and decisions are communicated?
- Has the board adopted a code of ethical conduct?
- Has the board adopted a conflict of interest policy?
- Has the board developed job descriptions for board members?
- Has the board had an orientation for new members?
- Has the board had ongoing training for the board members?
- Has the board adopted and enforced an attendance/absenteeism policy?
- Has the board had a collective self-evaluation?
- Has the board had meetings with the mayor and City Council?
- Has the board assessed the needs, concerns, and demands of the people of Kansas City regarding the organization's activities?
- Has the board communicated with other city boards and organizations to see how its activities fit within the city's "big picture"?
- Does the board profile describe the desired knowledge, skills, abilities, and other characteristics for prospective board members?
- Has the board developed job descriptions for candidates for appointment?

The respondent answered “N/A” (Not Applicable) to the following questions:

- Has the board communicated organizational goals to management?
- Has the board adopted policies that delineate the power of the CEO?
- Has the board adopted policies that prohibit management actions that are unethical or unacceptable?
- Has the board adopted policies that prescribe board-CEO relationship?
- Are management-related policies addressed to the CEO?
- Has the board specified what the CEO must report on and when?
- Has the board defined the criteria against which the CEO reports will be compared?
- Has the board organized an audit committee?
- Is the internal auditor independent from the accounting and finance function?
- Does the internal auditor have access to the audit committee?
- Does the board hold the CEO responsible for the organization’s performance as it relates to the achievement of overall organizational goals?
- Has the board assessed the CEO’s performance?
- Has the board developed a “board profile” to help the mayor in choosing candidates for appointments to the board?

## Land Clearance for Redevelopment Authority

**2007 Expenditures - \$4,866,027**

Core Governance Functions	Yes	No	Don't Know	N/A	Total by Category
Leading the organization	4	0	0	1	5
Setting policies delineating responsibilities	5	0	0	0	5
Ensuring compliance with board directives	3	1	0	3	7
Ensuring accountability for achieving goals	4	1	0	0	5
Ensuring high board performance and effectiveness	6	4	0	0	10
Representing the public interest	1	4	1	1	7

The respondent answered “No” to the following questions:

- Has the board provided for an internal audit function?
- Has the board sought information on whether the organization is achieving its goals from sources independent of management?
- Has the board developed job descriptions for board members?
- Has the board had ongoing training for the board members?
- Has the board adopted and enforced an attendance/absenteeism policy?
- Has the board had a collective self-evaluation?
- Has the board had meetings with the mayor and City Council?
- Has the board communicated with other city boards and organizations to see how its activities fit within the city’s “big picture”?
- Has the board developed a “board profile” to help the mayor in choosing candidates for appointments to the board?
- Has the board developed job descriptions for candidates for appointment?

The respondent answered “Don’t Know” to the following question:

- Has the board assessed the needs, concerns, and demands of the people of Kansas City regarding the organization’s activities?

The respondent answered “N/A” (Not Applicable) to the following questions:

- Do the goals describe the end result of the organization’s activities?
- Has the board organized an audit committee?
- Is the internal auditor independent from the accounting and finance function?
- Does the internal auditor have access to the audit committee?
- Does the board profile describe the desired knowledge, skills, abilities, and other characteristics for prospective board members?

## Metropolitan Ambulance Services Trust

2007 Expenditures - \$27,050,361

Core Governance Functions	Yes	No	Don't Know	N/A	Total by Category
Leading the organization	5	0	0	0	5
Setting policies delineating responsibilities	3	2	0	0	5
Ensuring compliance with board directives	7	0	0	0	7
Ensuring accountability for achieving goals	5	0	0	0	5
Ensuring high board performance and effectiveness	8	0	1	1	10
Representing the public interest	4	0	0	3	7

The respondent answered "No" to the following questions:

- Has the board adopted policies that prohibit management actions that are unethical or unacceptable?
- Has the board adopted policies that prescribe board-CEO relationship?

The respondent answered "Don't Know" to the following question:

- Has the board had a collective self-evaluation?

The respondent answered "N/A" (not applicable) to the following questions:

- Has the board adopted and enforced an attendance/absenteeism policy?
- Has the board developed a "board profile" to help the mayor in choosing candidates for appointment to the board?
- Does the board profile describe the desired knowledge, skills, abilities, and other characteristics for prospective board members?
- Has the board developed job descriptions for candidates for appointment?



## Board of Parks and Recreation Commissioners

**2007 Expenditures - \$70,119,390**

Core Governance Functions	Yes	No	Don't Know	N/A	Total by Category
Leading the organization	5	0	0	0	5
Setting policies delineating responsibilities	5	0	0	0	5
Ensuring compliance with board directives	4	1	1	1	7
Ensuring accountability for achieving goals	4	0	0	1	5
Ensuring high board performance and effectiveness	5	3	0	2	10
Representing the public interest	4	2	0	1	7

The respondent answered “No” to the following questions:

- Has the board organized an audit committee?
- Has the board developed job descriptions for board members?
- Has the board adopted and enforced an attendance/absenteeism policy?
- Has the board had a collective self-evaluation?
- Has the board developed a “board profile” to help the mayor in choosing candidates for appointments to the board?
- Has the board developed job descriptions for candidates for appointment?

The respondent answered “Don’t Know” to the following question:

- Has the board defined the criteria against which the CEO reports will be compared?

The respondent answered “N/A” (Not Applicable) to the following questions:

- Does the internal auditor have access to the audit committee?
- Has the board sought information on whether the organization is achieving its goals from sources independent of management?
- Has the board adopted a code of ethical conduct?
- Has the board adopted a conflict of interest policy?
- Does the board profile describe the desired knowledge, skills, abilities, and other characteristics for prospective board members?

## Performing Arts Community Improvement District

2007 Expenditures – \$ 184,469

Core Governance Functions	Yes	No	Don't Know	N/A	Total by Category
Leading the organization	4	0	0	1	5
Setting policies delineating responsibilities	5	0	0	0	5
Ensuring compliance with board directives	2	3	0	2	7
Ensuring accountability for achieving goals	4	1	0	0	5
Ensuring high board performance and effectiveness	6	4	0	0	10
Representing the public interest	7	0	0	0	7

The respondent answered “No” to the following questions:

- Has the board specified what the CEO must report on and when?
- Has the board organized an audit committee?
- Has the board provided for an internal audit function?
- Has the board sought information on whether the organization is achieving its goals from sources independent of management?
- Has the board had an orientation for new members?
- Has the board had ongoing training for the board members?
- Has the board adopted and enforced an attendance/absenteeism policy?
- Has the board had a collective self-evaluation?

The respondent answered “N/A” (not applicable) to the following questions:

- Has the board communicated organizational goals to management?
- Is the internal auditor independent from the accounting and finance function?
- Does the internal auditor have access to the audit committee?



## Board of Police Commissioners of Kansas City

**2007 Expenditures - \$177,296,022**

Core Governance Functions	Yes	No	Don't Know	N/A	Total by Category
Leading the organization	5	0	0	0	5
Setting policies delineating responsibilities	5	0	0	0	5
Ensuring compliance with board directives	7	0	0	0	7
Ensuring accountability for achieving goals	5	0	0	0	5
Ensuring high board performance and effectiveness	8	2	0	0	10
Representing the public interest	4	0	0	3	7

The respondent answered "No" to the following questions:

- Has the board developed job descriptions for board members?
- Has the board adopted and enforced an attendance/absenteeism policy?

The respondent answered "N/A" (Not Applicable) to the following questions:

- Has the board developed a "board profile" to help the mayor in choosing candidates for appointments to the board?
- Does the board profile describe the desired knowledge, skills, abilities, and other characteristics for prospective board members?
- Has the board developed job descriptions for candidates for appointments?

## Port Authority of Kansas City, Missouri

2007 Expenditures - \$11,647,769

Core Governance Functions	Yes	No	Don't Know	N/A	Total by Category
Leading the organization	5	0	0	0	5
Setting policies delineating responsibilities	5	0	0	0	5
Ensuring compliance with board directives	6	1	0	0	7
Ensuring accountability for achieving goals	5	0	0	0	5
Ensuring high board performance and effectiveness	8	2	0	0	10
Representing the public interest	7	0	0	0	7

The respondent answered "No" to the following question:

- Is the internal auditor independent from the accounting and finance function?
- Has the board had ongoing training for board members?
- Has the board had a collective self-evaluation?

## Tax Increment Financing Commission of Kansas City, Missouri

**2007 Expenditures - \$120,370,355**

Core Governance Functions	Yes	No	Don't Know	N/A	Total by Category
Leading the organization	3	0	0	2	5
Setting policies delineating responsibilities	5	0	0	0	5
Ensuring compliance with board directives	6	1	0	0	7
Ensuring accountability for achieving goals	4	0	0	1	5
Ensuring high board performance and effectiveness	8	2	0	0	10
Representing the public interest	4	3	0	0	7

The respondent answered “No” to the following questions:

- Has the board defined the criteria against which the CEO reports will be compared?
- Has the board adopted and enforced an attendance/absenteeism policy?
- Has the board had a collective self-evaluation?
- Has the board developed a “board profile” to help the mayor in choosing candidates for appointments to the board?
- Does the board profile describe the desired knowledge, skills, abilities, and other characteristics for prospective board members?
- Has the board developed job descriptions for candidates for appointment?

The respondent answered “N/A” (Not Applicable) to the following questions:

- Do the goals describe the end result of the organization’s activities?
- Has the board communicated organizational goals to management?
- Has the board sought information on whether the organization is achieving its goals from sources independent of management?